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THE PANDEMIC AND DONOR BEHAVIOR: A FIRST LOOK

AN O'BRIEN GARRETT SURVEY
MAY 1, 2020

Introduction

How are direct response donors reacting to the COVID-19 outbreak? How is it affecting their own lives and their philanthropic priorities? Where are things heading in terms of both donor willingness and ability to support causes they have long supported or to invest in new ones?

These are questions the entire nonprofit community is grappling with as we respond to a pandemic that is having both a global impact and an intensely personal one on the lives of direct response donors.

To begin making sense of donors' reactions to this unprecedented donor climate, O'Brien Garrett conducted an extensive online survey in April.

We believe the survey offers some valuable insights into donors' current experiences, perspectives, and behavior. This data and analysis should help inform organizations' strategies as we all strive to make sense of this truly unique fundraising and donor communications landscape.

We would emphasize that this is a "first take" on how people are responding to an ongoing situation. We are likely to see shifts in donor attitudes and behavior as events unfold. And O'Brien Garrett will be periodically going back into the field to identify and measure those shifts.

Basics on the Survey

This April 2020 online survey, including both quantitative and open-text methodologies, was completed by 600 respondents. Respondents were selected based on their answers to screening questions and basic demographic profiles. To ensure a qualified direct response audience, respondents were screened for giving behavior in three dimensions: how many groups they gave to in the last year, how they made their gifts, and which groups (from a list of large national charities with substantial direct response donor bases) they donated to.

By design, the resulting audience is representative of a wider community of donors than only progressive organizations, including some mainstream charities. The data sample is large enough to look at subsets across the ideological spectrum, and we have pulled out a progressive donor subset throughout this report where there is instructive data.

The demographic profile of the survey's respondents is consistent with that of a direct response audience.

- Almost a third of respondents are over the age of 65.
- Two-thirds hold at least a bachelor's degree.
- As with most direct response files, the survey audience skews toward women (57%).
- Almost 40% report earning more than \$100,000 a year.

A Key Insight: Willingness vs. Capacity

Throughout this report, data points to what could be a defining characteristic of the donor climate in the weeks and months ahead. We believe we are seeing the emergence of tension in significant portions of the donor community between people's strong motivation to support the causes they believe in and their capacity to act on that impulse.

Navigating that dynamic is likely to be the central strategic challenge for direct response programs throughout 2020.

The Far-Reaching COVID-19 Impact

The survey results demonstrate that the COVID-19 pandemic is impacting all of our lives in one way or another. And direct response donors are anything but immune from the economic impact.

More than 1 in 3 respondents report reduced income.

12% have lost a job, and 27% have a close family member who has lost one.

- At the time of the survey, **97% of respondents** were experiencing stay-at-home orders, only essential business openings, and large gathering prohibitions in their area.
- 35% of respondents were working from home.
- More than 1 in 3 (36%) have experienced reduced income.
- 12% have lost a job, and 27% have a close family member who has lost a job.
- 2% have been sickened, and 9% have a close family member who has been sickened.

Only 13% of respondents report no direct personal impact from the pandemic, aside from the isolation of staying at home.

How Long Will All This Last?

We asked respondents how long they thought it would take for the U.S. outbreak to begin declining. The results are reflected in the table below:

How long will it take for the U.S. outbreak to begin declining?	Percent Responding
Less than 30 days	9%
1 to 3 months	35%
3 to 6 months	32%
6 to 9 months	13%
9 to 12 months	5%
12 months or longer	6%

There is far less agreement on when (or if) we will see a “return to normal.”

How long will it take for things to return to normal?	Percent Responding
Less than 30 days	1%
1 to 3 months	9%
3 to 6 months	19%
6 to 9 months	19%
9 to 12 months	15%
12 months or longer	26%
Never	11%

One thing is certain: We are all looking forward to life on the other side of the crisis, with more contact with friends and family topping the list.

The word cloud to the right represents answers to this open-ended question:

“What are you most looking forward to after this crisis has passed?”



There is some muted optimism that the crisis will spur progress on issues such as health care, living wages, and voting rights. But there is less hope surrounding social issues such as racism, reproductive rights, immigration, and climate change. What seemed challenging before may seem almost impossible now.

	Very optimistic	SW optimistic	Net pessimistic
Access to health care	19	48	33
Access to education	16	50	34
Living wages for workers	14	48	38
Voting rights	15	42	43
Personal freedoms	14	43	43
Poverty & Hunger	13	43	44
Criminal justice reform	8	40	52
Racism and discrimination	11	36	53
Reproductive rights	9	37	54
Homelessness	10	34	56
Climate change	9	33	58
Immigration reform	9	31	59

COVID-19 has exposed a great many challenges in American society.

How optimistic are you that the crisis will push us to make progress in each of these areas?

Attitudes Surrounding the 2020 Elections

We asked a series of questions related to the 2020 elections. One thing is clear: People are still tuned into the elections — maybe even more so now.

- 58% of respondents say they are following the elections very closely. An additional 32% report following somewhat closely.

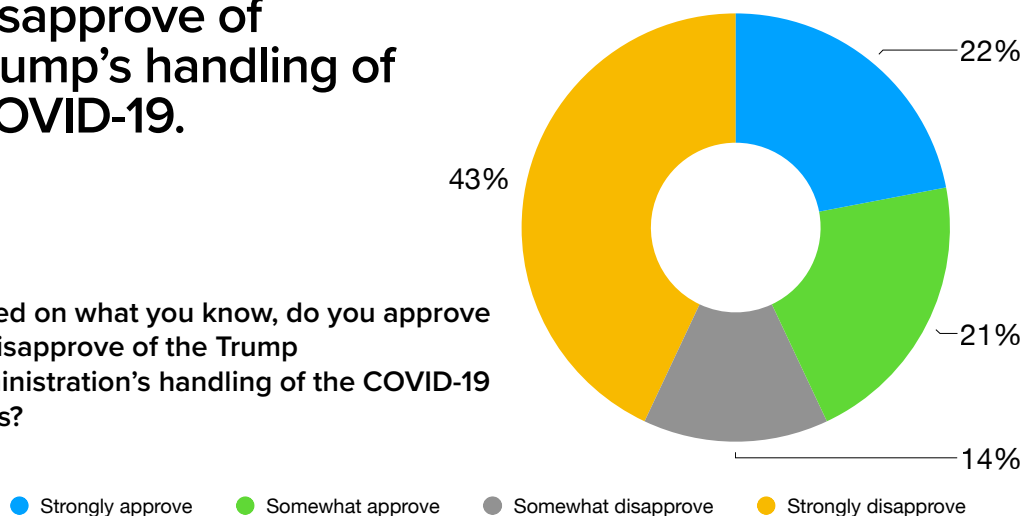
Among progressives, those numbers are 73% very closely and 24% somewhat closely.

In terms of how they plan to cast their ballot, the majority (58%) say they expect to vote in person. 24% say they will vote by mail. But another 13% expect to vote by absentee ballot. So, nearly 4 out of 10 respondents expect to vote without going to a polling place on Election Day. (Notably, this survey was conducted the week after the Wisconsin primary.) Significantly, only 2% of respondents say that they are eligible but don't plan to vote.

This survey took place during the brief period when President Trump was experiencing a “rally around the Commander in Chief” bump in his ratings. But even in that context, the evaluation of his COVID-19 performance was decidedly negative.

The majority disapprove of Trump's handling of COVID-19.

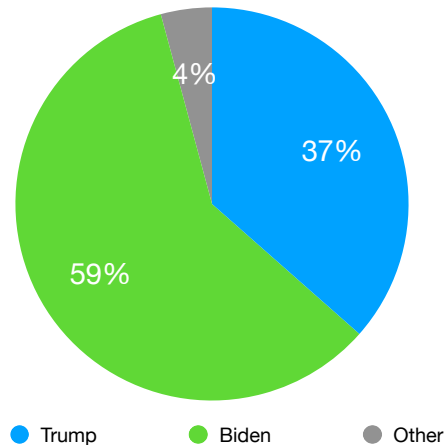
Based on what you know, do you approve or disapprove of the Trump administration's handling of the COVID-19 crisis?



When it comes to the election itself, Biden has a 22-percentage-point advantage over President Trump within the overall sample — and a 65% advantage among progressives.

In a sample that was 44% democrat and 22% independent, Biden gets 59% of the vote.

If the 2020 elections were held today, which candidate would you choose?



Views on the Economy in General and Personal Economic Impact

In surveys about charitable giving, we frequently measure people's optimism about the economy in general against their optimism about their personal financial situation. Without fail, donors are more optimistic about themselves than about the general economy. And that's true here as well, but the muted response gives us our first note of caution.

There is more pessimism about the economy than we have seen since the 2009 financial crisis. The optimism/pessimism balance is 47% to 53%. But that pessimism is intense. One in five respondents say that they are very pessimistic about the U.S. economy over the next year.

People's assessment of their own finances is more positive, with 61% expressing optimism about their personal finances, compared to the 47% relaying optimism about the overall economy. But it is still true that nearly four out of 10 donors express pessimism about their own financial outlook — a pretty significant portion of the donor audience. This is in line with what we saw after 2009.

There are, however, signs that many regard their financial setbacks to be temporary. When we look specifically at how people who have experienced an income reduction feel about their financial outlook, 48% express optimism.

Progressive donors are significantly less optimistic about their personal economic outlook.

But they are still optimistic about their charitable giving.

The overall survey audience split 61% optimistic versus 39% pessimistic in assessing their personal economic outlook. But the progressive audience is an even 50/50 split.

There may be a note of realism in this assessment. Progressive donors are somewhat more likely to have lost a job (16% versus 12% for the overall sample). And they are also more likely to report reduced income (39% versus 36%).

Almost 70% of respondents say that the economy will have no impact on their giving or that they plan to give even more.

If this were an election, a 70% to 30% advantage would signify a landslide. But in the context of a fundraising program, the impact of three out of 10 donors saying they will probably give less could have significant financial consequences.

And even though progressives are much more pessimistic about their personal finances, they match the overall audience when it comes to expectations about giving over the next six months.

Comparison of Overall Sample and Progressive Audience on Charitable Giving Over the Next Six Months

For progressive donors, the clash between the spirit of generosity and the reality of capacity may be especially pronounced in the weeks ahead.

When looking at overall economic behavior, survey respondents express a broad sense of caution when it comes to delaying major purchases and commitments. But compared to other financial commitments, respondents express more willingness to keep supporting existing causes — and, to a lesser extent, engaging with new ones.

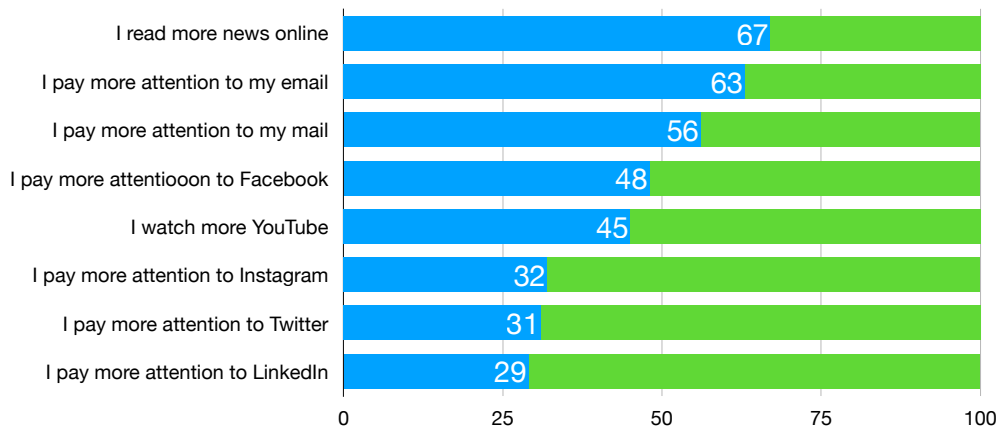
	Delaying	Doing
Making a major purchase (\$2,000 or more)	90	10
Travel for business	96	4
Travel for leisure	95	5
Buying a house	95	5
Selling a house	94	6
Subscribing to video streaming services (netflix, disney+, etc)	49	51
Subscribing to grocery delivery services (instacart, shipt, etc)	61	39
Donating blood	84	16
Applying for a new job	90	10
Learning a new hobby	57	43
Making donations to charities/causes you previously supported	38	62
Making donations to new charities/causes	55	45

But more than 60% are still making donations to the charities they were already engaged with.

One upside of the crisis is that, with so many people staying at home, there is greater opportunity for your message to be consumed. **That means, independent of their current ability to donate, there is both a need and opportunity to effectively communicate with your donors.**

Here is the question we asked: “We all get news and information from a wide variety of sources. How has your consumption of news and information changed since the COVID-19 crisis began? Please use the slider to indicate your level of agreement with each statement.”

Online news, email and direct mail are all more likely to be read during the crisis.



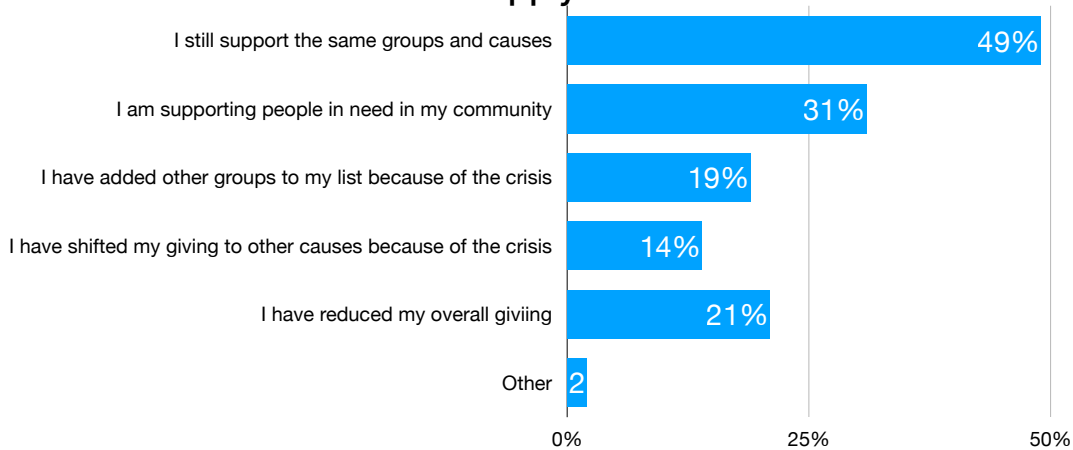
Impact on People’s Issue Priorities

We looked at the ways in which donors seem to be assessing, connecting with, and prioritizing issues in a number of different ways.

When we asked donors if the pandemic has already had an impact on their giving, the same

picture we have seen in other survey data emerges. There is continued strong interest in supporting causes alongside a significant portion of respondents (21%) who have had to cut back on their giving.

Has the COVID-19 pandemic caused you to make changes to the causes and organizations you support? Check all that apply



Those who are still able to donate are being extraordinarily generous. Almost 40% of those who are still giving to their existing groups have added new causes or are helping out in their community.

Here are a few comments which demonstrate the range of donors' current thinking about the causes they support:

“I still try to help my organizations, but others here in my local community need assistance.”

“I donate now to COVID-19 warriors.”

“There has been insufficient time for a change.”

“This pandemic has done nothing to change my life. I’m still doing my thing.”

“I have contributed to several of my causes earlier in the year than usual, because I know they are struggling right now.”

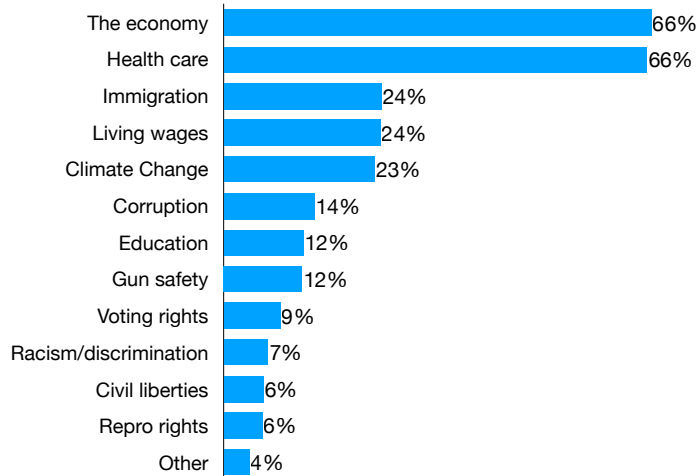
“As of now, I have not reduced my giving, but I want to wait and see.”

“Causes that help people affected by the pandemic due to job loss and aiding first responders.”

The COVID-19 crisis is clearly causing a shift in the issues that donors believe will influence the outcome of November's election.

Immigration and climate have fallen down dramatically, while the economy and health care have become even more important.

When you think about the issues that will decide the 2020 elections, which do you think will be most important?



The economy and health care are also at the top of the list when we look only at progressive donors. But for progressives, climate change takes the third spot. Issues such as gun violence, voting rights, and reproductive rights are farther down the list, with about 15% of progressive donors saying those issues will decide 2020.

As a comparison, an April 2019 O'Brien Garrett study of progressive donors found that 12% thought reproductive rights would be a top issue in the 2020 elections, 14% named voting rights, and 33% named gun violence prevention.

Viewed through another lens, here is the way donors currently prioritize a list of issues in terms of which are most important to them right now:

Animals, hunger, children, the environment...

Thinking about the causes you care about and the types of organizations you support, which are the most important to you right now? You may choose up to three.

Animal protection	36
Hunger	31
Children	31
Access to health care	21
Climate change	20
Environment/nature	19
Homelessness	18
Poverty	18
2020 elections	14
Education	13
Voting rights	8
Gun violence prevention	8
Civil liberties	7
Reproductive Rights	6
Criminal justice reform	6
International relief	5
Racial justice	4
Immigrants' Rights	3

* causes below 3% not shown

It is worth noting that we chose to break out climate change and environment/nature to distinguish between support for environmental advocacy and support for nature groups. But taken together, environmental issues would be at the top of this list.

Comparing overall responses to those of progressive donors, we see a shuffling of the top issues, with four key issues bunched at the top of the list.

We then asked respondents to look at the same list of issues and choose the ones they think are most impacted by the COVID-19 crisis.

Most of the top issues are least impacted by the crisis.

	Important to me	Affected by COVID	Variance
Animal protection	36	12	-24
Hunger	31	36	5
Children	31	21	-10
Access to health care	21	36	15
Climate change	20	8	-12
Environment	19	8	-11
Homelessness	18	35	17
Poverty	18	35	17
2020 elections	14	14	-
Education	13	20	7
Voting rights	8	10	2
Gun violence prevention	8	3	-5
Civil liberties	7	8	1
Reproductive Rights	6	5	-1
Criminal justice reform	6	3	-3
International relief	5	9	4
Racial justice	4	4	-
Immigrants' Rights	3	8	5

This disconnect between the issues donors currently prioritize and the ones they believe are most impacted by COVID-19 could presage a coming shift.

If donors choose to shift their giving based on the crisis, we could see a move away from climate and animals and toward direct support for people in crisis.

Key Findings and Recommendations

- #1: Remember that no one has been spared by this crisis.** It has impacted virtually every donor in a significant, personally felt way. That reality is going to color donor behavior for some time to come.
- #2: Even though donors are financially better off than the general population, this crisis has taken a significant toll on them as well.** We have to be alert to the fact that, in up to 1 out of 5 instances, we could be talking to donors who currently lack the capacity to donate.
- #3: Take extra time to consider how your communications will be received.** We don't have to be apologetic in asking for financial support. But we have to be sensitive to the unusual capacity limitations of some donors.
- #4: There is clear value in being in front of your donors right now.** While budgets are tight and income is in jeopardy, we can't lose contact with our donors. Silence is anything but golden in these circumstances, and we have to strive to stay connected to donors who are temporarily sidelined.
- #5: It will take time to see the impacts of this crisis, especially on people's charitable giving.** This is an evolving crisis, and people's reaction to it will develop and change over time. We must approach strategy and program design in stages as events shape the landscape.
- #6: Recognize that donors' spirit of generosity may run into the hard reality of limited capacity.** The donor community has a generous spirit, and, despite financial difficulties, people are stretching to meet the moment. As the crisis continues, that may not last.
- #7: Groups will pay a price — both short-term and long-term — if they traffic in urgency without authenticity.** Urgency that rings false or incites fear is not an appropriate tool and won't connect with where donors are coming from.
- #8: Remember that fear taken too far can immobilize, rather than motivate, people.** Even fears that are authentically conveyed and grounded in reality can backfire. Especially in times of crisis, donors look to their core groups to convey confidence and a sense of direction, not to pile onto their already deep sense of anxiety.
- #9: Monthly donors are your canaries in a coal mine.** Monthly donors are not only key to hanging onto income during this crisis. They are also lead indicators of shifts in donor attitudes and opinions. We need to keep a close eye on them for both of these reasons.
- #10: There is some optimism that this crisis can drive positive change on personal issues such as health care.** But that optimism doesn't extend to more polarizing social issues.

#11: The 2020 elections have taken on even more importance. The presidential election was always going to drive donor anxieties throughout 2020 and shape the post-election landscape. Now, that dynamic will be amplified by the parallel reality of moving through and beyond the pandemic crisis.

#12: There will be no magic reset button. Just as with the overall restart of economic and social activity, there won't be a simple flip of a switch when it comes to creating a new fundraising normal. People's giving attitudes and behavior will evolve over time, and we will have to evolve alongside them.

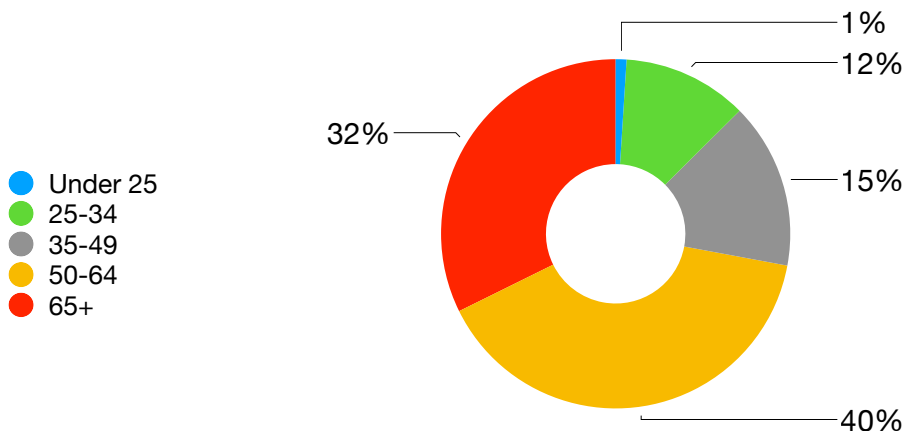
Conclusion

We hope the data and insights in this survey report will help the nonprofit community begin to navigate the pandemic-influenced fundraising climate. As we have repeatedly noted, this is a fluid, changing situation. We believe surveys such as this one can provide an important stream of data to guide our strategies. And we will continue to keep our ear to the ground, including most immediately a May follow-up study.

APPENDIX

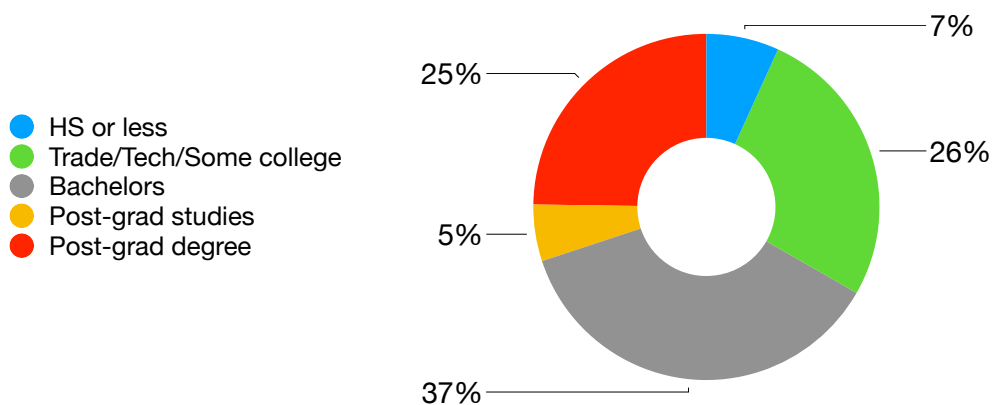
Almost a third are over the age of 65.

What age range below best describes you?



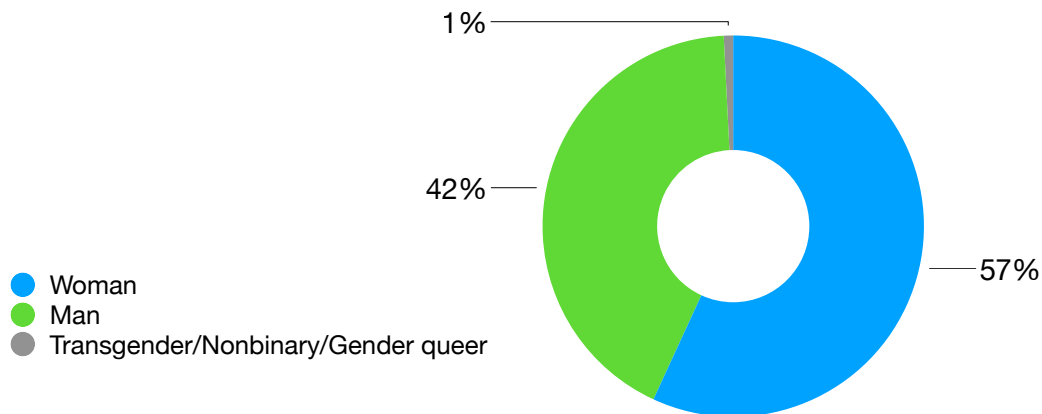
Two-thirds hold at least a bachelors degree.

What is the last level of education you received?



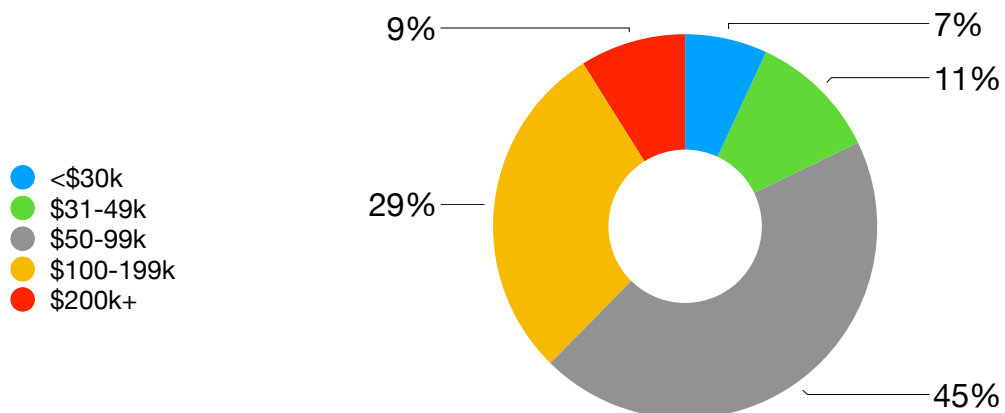
Gender ID is typical of most donor audiences.

Which of the following do you most identify with?



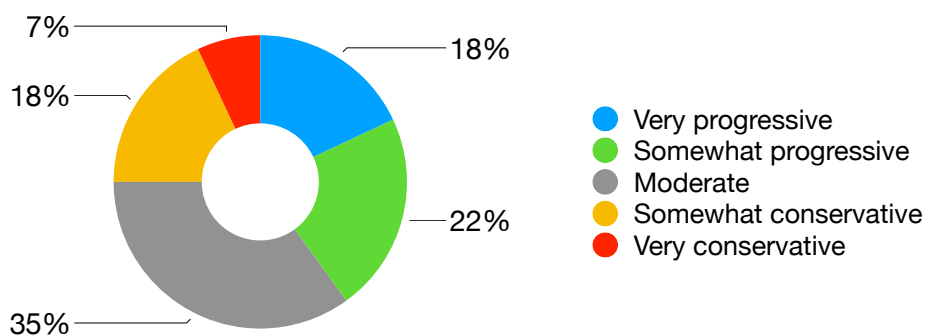
Almost 40% report earning more than \$100k per year.

Which option is closest to your annual household income?



About 40% self-identify as progressive.

Do you consider yourself...?



A Note on Methodology

Our pandemic and donor behavior survey was conducted online in April 2020. It was a roughly 8-minute survey, and there were 600 completed surveys. The results can be read with a 95% confidence level with a +/- 3% margin of error.

We sampled the U.S. population screened in the following ways:

- Must have made at least two gifts to national organizations in the last 12 months.
- Must have made gifts via mail, email, website, recurring monthly gift, or Donor-Advised Fund (DAF).
- Must have given to at least one group on a list of large national organizations with significant direct response programs.

Organization list

Must have given to one of these (other orgs provided as well)

- ACLU
- ASPCA
- Doctors without Borders
- Everytown for Gun Safety
- Feeding America
- Habitat for Humanity
- Humane Society of the US
- NAACP
- National Audubon Society
- NRDC
- Planned Parenthood
- Save the Children
- Sierra Club
- The Nature Conservancy
- Unicef
- World Wildlife Fund

The sample was quota'd to match the profile of typical direct response donor files:

- Only 40% of respondents under the age of 50
- 50% earn more than \$50,000/year
- 40% hold a Bachelor's degree or higher